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22 JUL 1971

MEMORANDUM FOR: Executive Director-Comptroller**THROUGH : Deputy Director for Support****SUBJECT : CIARDS Actuarial Study**

1. This memorandum is for your information, no action being required.

2. There is attached the final report on the first actuarial valuation of the CIA Retirement and Disability Fund. This report was prepared by Mr. Cedric W. Kroll, actuary in the Office of Debt Analysis in the Department of the Treasury. The Office of Computer Services has contributed an enormous amount of time and effort in working with Mr. Kroll in the development and execution of computer programs to accumulate and project data required for this end product.

3. It should be noted that the basic study is based on data as of 31 December 1968, updated to 30 June 1970 and gives no effect to the potential impact of recent legislation providing for transfer from the Civil Service Commission of employer contributions to match employee contributions for the prior creditable service of new participants in the CIA System. That impact will be relatively significant at least in the short run if a favorable ruling is obtained from the Comptroller General concerning the retroactivity of that legislation.

4. The principal significance of the attached report is fairly summarized by the final paragraph on page 10 of the report which reads as follows:

" With legislation recently enacted for transfer to the fund of employer contributions to match employee contributions for creditable service under Civil Service, and assuming legislation to provide financing provisions similar to those contained in the Civil Service and Foreign Service Acts (and employing the same agency-employee matching percentages), the CIA system should have no financial problems in the foreseeable future."

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5. We shall be glad to discuss any specific questions you may have concerning the report. Supporting supplemental tables for the attached report are quite detailed and technical. Those tables will not be printed for another two or three weeks, and will be furnished you when available.

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L. E. BUSH
Director of Finance

Attachment:
Actuarial Valuation

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